

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re: **W. R. Grace & Co., et al**  
Debtor

Case No. **01-01139** Jointly Administered  
Reporting Period: **September 2003**

**MONTHLY OPERATING REPORT**

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to any official committee appointed in the case.

<b>REQUIRED DOCUMENTS</b>	<b>Form No.</b>	<b>Document Attached</b>	<b>Explanation Attached</b>
Schedule of Cash Receipts and Disbursements	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (con't)	X	
Copies of bank statements		X	
Cash disbursements journals			Not available
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Postpetition Taxes	MOR-4	X	
Copies of IRS Form 6123 or payment receipt			Not available
Copies of Federal income tax returns filed during reporting period			None filed
Summary of Unpaid Postpetition Debts	MOR-4		See Note #4
Listing of aged accounts payable			See Note #4
Accounts Receivable Reconciliation and Aging	MOR-5	X	
Debtor Questionnaire	MOR-5	X	

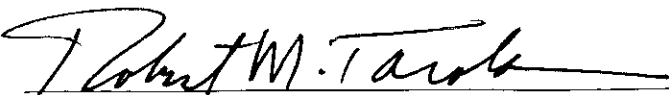
I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.

\_\_\_\_\_  
Signature of Debtor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Signature of Authorized Individual\*

29 October 2003  
\_\_\_\_\_  
Date

Robert M. Tarola  
\_\_\_\_\_  
Printed Name of Authorized Individual

Senior Vice President and  
Chief Financial Officer  
\_\_\_\_\_  
Title of Authorized Individual

\* Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

**W. R. Grace & Co.**  
**Monthly Financial Report**  
**September 30, 2003**

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**Monthly Operating Report**

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**Bank Statements**

**Federal Income Tax Returns**

No

**Forward-Looking Information**

This monthly financial report contains forward-looking information that involves risks and uncertainties. For such information, Grace claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from the results predicted, and reported results should not be considered as a indication of future performance. Factors that could cause actual results to differ from those contained in the forward-looking information include those factors set forth in Grace's most recent Annual Report on Form 10-K and quarterly reports on Form 10-Q, which have been filed with the Securities Exchange Commission.

**Statement of Confidentiality**

The information contained in the monthly financial report contains confidential information of W. R. Grace & Co. and its subsidiaries (the "Confidential Information"). The Confidential Information has been prepared solely for information purposes and may not be disclosed to any person or entity or reproduced, disseminated or disclosed, in whole or in part, except to officers, directors, employees, and representatives of the recipient ("Representatives") or as required by applicable law or regulation. By receipt of the Confidential Information, each recipient agrees to (1) use the Confidential Information only to enhance its understanding of Grace and its businesses, and (2) inform its Representatives of the confidential nature of such information and direct them to treat such information in accordance with the terms. Each recipient agrees to be responsible for any breach of these provisions by any of its Representatives.

## **Monthly Operating Report**

## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

September 2003

	JP Morgan Chase Disbursement 9101013572	Wachovia Lockbox 8619039102	First Union Deposit Acct 2199500021612	First Union Payroll 2079900003615	Merrill Lynch Investment 3323735	Merrill Lynch Investment 3343175	JP Morgan Chase Holding 923223141
CASH BEGINNING OF MONTH	\$ 105,556	\$ -	\$ (0)	\$ 0	\$ 76,943,391	\$ 0	\$ 733,326
<b>RECEIPTS</b>							
ACCOUNTS RECEIVABLE - THIRD PARTIES							
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES			3,860,079		73,136		1,854
TRANSFERS IN - NONFILING ENTITIES							
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	245,000			2,035,869	100,500,000		
MISCELLANEOUS							
<b>TOTAL RECEIPTS</b>	245,000	-	3,860,079	2,035,869	100,573,136	-	1,854
<b>DISBURSEMENTS</b>							
PAYROLL				1,348,462			
PAYROLL TAXES				635,590			
TRADE PAYABLES - THIRD PARTIES							
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES	192,108						
TRANSFERS OUT - NONFILING ENTITIES							
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			2,770,698		83,500,000		
MISCELLANEOUS			1,089,381	51,817			
<b>TOTAL DISBURSEMENTS</b>	192,108	-	3,860,079	2,035,869	83,500,000	-	-
<b>NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)</b>	52,892	-	-	-	17,073,136	-	1,854
<b>CASH - END OF MONTH</b>	158,448	-	(0)	0	94,016,527	0	735,180

**Note #1**

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

September 2003

	JP Morgan Chase Concentration 16001257	Bank of America Lockbox 8188203114	First Union Concentration 2000000282172	First Union Payroll 2079900016741	First Union Petty Cash 2079900005600	Citic Bank Payroll 15502015738	First Union Libby Medical 2079900065006
CASH BEGINNING OF MONTH	\$ 254,385	\$ 955,639	\$ 0	\$ -	\$ -	\$ 0	\$ -
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES		43,170,029					
ACCOUNTS RECEIVABLE - INTERCOMPANY		714,563					
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES	11,528,951						
TRANSFERS IN - NONFILING ENTITIES	30,854,793						
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	205,401,495	1,810,962	73,800,000	5,144,227	4,179		88,449
MISCELLANEOUS					243		
TOTAL RECEIPTS	247,785,239	45,695,554	73,800,000	5,144,227	4,422	-	88,449
DISBURSEMENTS							
PAYROLL				3,558,918			
PAYROLL TAXES				1,571,681			
TRADE PAYABLES - THIRD PARTIES							
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES	151,035						
TRANSFERS OUT - THIRD PARTIES	4,588,725	1,541,485			4,422		
TRANSFERS OUT - NONFILING ENTITIES	32,419,608						
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	210,607,672	43,171,231	66,844,068				
MISCELLANEOUS			6,955,932	13,628			88,449
TOTAL DISBURSEMENTS	247,767,040	44,712,716	73,800,000	5,144,227	4,422	-	88,449
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	18,198	982,838	-	-	-	-	-
CASH - END OF MONTH	272,583	1,938,477	0	-	-	0	-

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W. R. Grace & Co. - Conn  
Schedule of Cash Receipts and Disbursements  
MOR-1  
September 2003

	First Union Accts Payable 2079920005761	First Union Payroll 2079900067554	Wachovia Lockbox 1866-082535	First Union Accts payable 2079900005260	First Union Accts Payable 2079900005231	Allfirst Payroll 16298631	SunTrust Payroll 00000141309
CASH BEGINNING OF MONTH	\$ (0)	\$ -	\$ 0	\$ 0	\$ 0	\$ 130,221	\$ 45,273
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES			28,501,843				
ACCOUNTS RECEIVABLE - INTERCOMPANY			19,503,558				
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES							
TRANSFERS IN - NONFILING ENTITIES							
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	30,494,012	1,344,849		3,625,982	24,106,502	4,125,176	
MISCELLANEOUS	806,576			328,687	5,730,356		
TOTAL RECEIPTS	31,300,588	1,344,849	48,005,401	3,954,669	29,836,858	4,125,176	-
DISBURSEMENTS							
PAYROLL		878,298				2,075,914	
PAYROLL TAXES		395,499				1,209,000	
TRADE PAYABLES - THIRD PARTIES	30,469,318			3,954,669	29,836,858		
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES							
TRANSFERS OUT - NONFILING ENTITIES							
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			47,139,853				
MISCELLANEOUS		71,052	865,547			58,735	
TOTAL DISBURSEMENTS	30,469,318	1,344,849	48,005,401	3,954,669	29,836,858	3,343,649	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	831,270	-	-	-	-	781,527	-
CASH - END OF MONTH	831,270	-	0	0	0	911,747	45,273

**Note #1**

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

September 2003

	PNC 4002641360	Hibernia Natl Disbursement 101391210	Bank of America Payroll 0000 0002 2137	Allfirst Payroll 16298667	First Union Petty Cash 2040000016900	Banco de Credito Operating Acct 1931115122058	Banco de Credito Operating Acct 1931125963172
CASH BEGINNING OF MONTH	\$ 24,671	\$ 10,000	\$ -	\$ 212,908	\$ 56,332	\$ 640	\$ 88,525
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES						13,742	78,671
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES							
TRANSFERS IN - NONFILING ENTITIES							
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS				5,097,165			
MISCELLANEOUS				51,634			
TOTAL RECEIPTS				5,148,799		13,742	78,671
DISBURSEMENTS							
PAYROLL				3,415,283			
PAYROLL TAXES				1,681,882		1,138	
TRADE PAYABLES - THIRD PARTIES							
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES							
TRANSFERS OUT - NONFILING ENTITIES							
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS							
MISCELLANEOUS						10,729	17,236
TOTAL DISBURSEMENTS				5,097,165		11,867	17,236
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)				51,634		1,875	61,435
CASH - END OF MONTH	24,671	10,000	-	264,542	56,332	2,515	149,960

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## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

September 2003

	Banco de Credito Time Deposit 0015820	Bank of Boston Operating Acct 0154519	Bank of Boston Operating Acct 0154424	Cash in Transit
CASH BEGINNING OF MONTH	\$ -	\$ 1,196	\$ 1,326,478	\$ 1,810,962
<b>RECEIPTS</b>				
ACCOUNTS RECEIVABLE - THIRD PARTIES			421,958	
ACCOUNTS RECEIVABLE - INTERCOMPANY				
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				
DIP BORROWINGS				
TRANSFERS IN - THIRD PARTIES		186,849		
TRANSFERS IN - NONFILING ENTITIES				
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS				
MISCELLANEOUS				
<b>TOTAL RECEIPTS</b>	-	186,849	421,958	-
<b>DISBURSEMENTS</b>				
PAYROLL		7,456		
PAYROLL TAXES		38,442		
TRADE PAYABLES - THIRD PARTIES				
TRADE PAYABLES - INTERCOMPANY			408,739	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI				
DIP PRINCIPAL REPAYMENTS				
DIP INTEREST AND USAGE FEES				
TRANSFERS OUT - THIRD PARTIES		106,868	187,000	
TRANSFERS OUT - NONFILING ENTITIES				
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS				1,810,962
MISCELLANEOUS		5,688	12,746	
<b>TOTAL DISBURSEMENTS</b>	-	158,455	608,485	1,810,962
<b>NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)</b>	-	28,395	(186,527)	(1,810,962)
<b>CASH - END OF MONTH</b>	-	29,590	1,139,951	0

**Note #1**

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.



## W. R. Grace &amp; Co. - Conn

## Schedule of Cash Receipts and Disbursements

MOR-1

September 2003

	Cash on Hand	Other	CURRENT MONTH	
			ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 49,425	\$ 289,288	\$ 83,038,217	
RECEIPTS				
ACCOUNTS RECEIVABLE - THIRD PARTIES			72,186,241	
ACCOUNTS RECEIVABLE - INTERCOMPANY			20,218,121	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI			-	
DIP BORROWINGS			-	
TRANSFERS IN - THIRD PARTIES			15,650,869	
TRANSFERS IN - NONFILING ENTITIES			30,854,793	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS			457,823,866	
MISCELLANEOUS		2,910	6,920,406	
TOTAL RECEIPTS	-	38,988	603,654,297	-
DISBURSEMENTS				
PAYROLL			11,284,331	
PAYROLL TAXES			5,533,232	
TRADE PAYABLES - THIRD PARTIES			64,260,845	
TRADE PAYABLES - INTERCOMPANY			408,739	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI			-	
DIP PRINCIPAL REPAYMENTS			-	
DIP INTEREST AND USAGE FEES			151,035	
TRANSFERS OUT - THIRD PARTIES			6,620,608	
TRANSFERS OUT - NONFILING ENTITIES			32,419,608	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			455,844,485	
MISCELLANEOUS		281,030	9,521,971	
TOTAL DISBURSEMENTS	-	281,030	586,044,854	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	(242,042)	17,609,443	-
CASH - END OF MONTH	49,425	47,246	100,647,660	\$ -

## Note #1

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W.R. Grace & Co. Schedule of Cash Receipts and Disbursements MOR-1 September 2003			
	JP Morgan Chase Pass Through 323881963	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ (0)	\$ (0)	
<b>RECEIPTS</b>			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	29,128,009	29,128,009	
<b>TOTAL RECEIPTS</b>	29,128,009	29,128,009	-
<b>DISBURSEMENTS</b>			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	29,128,009	29,128,009	
MISCELLANEOUS		-	
<b>TOTAL DISBURSEMENTS</b>	29,128,009	29,128,009	-
<b>NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)</b>		-	-
<b>CASH - END OF MONTH</b>	\$ (0)	\$ (0)	\$ -

Remedium Group, Inc.

Schedule of Cash Receipts and Disbursements

MOR-1

September 2003

	JP Morgan Chase Depository/Wire 323883842	JP Morgan Chase Disbursement 601831985	Other	CURRENT MONTH	
				ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ (38,879)	\$ -	\$ (38,879)	
RECEIPTS					
ACCOUNTS RECEIVABLE - THIRD PARTIES				-	
ACCOUNTS RECEIVABLE - INTERCOMPANY				-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				-	
DIP BORROWINGS				-	
TRANSFERS IN - THIRD PARTIES				-	
TRANSFERS IN - NONFILING ENTITIES	2,287,677			2,287,677	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		308,297		308,297	
TOTAL RECEIPTS	2,287,677	308,297	-	2,595,974	
DISBURSEMENTS					
PAYROLL				-	
PAYROLL TAXES				-	
TRADE PAYABLES - THIRD PARTIES				-	
TRADE PAYABLES - INTERCOMPANY				-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI				-	
DIP PRINCIPAL REPAYMENTS				-	
DIP INTEREST AND USAGE FEES				-	
TRANSFERS OUT - THIRD PARTIES		823,313		823,313	
TRANSFERS OUT - NONFILING ENTITIES				-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	2,287,677			2,287,677	
MISCELLANEOUS				-	
TOTAL DISBURSEMENTS	2,287,677	823,313	-	3,110,991	
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	(515,017)	-	(515,017)	
CASH - END OF MONTH	-	(553,896)	-	(553,896)	

Darex Puerto Rico, Inc.

## Schedule of Cash Receipts and Disbursements

MOR-1

September 2003

	Citibank Operating Acct 300153011	Petty Cash	Other	CURRENT MONTH	
				ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 4,911,840	\$ 1,500	\$ (51,673)	\$ 4,861,467	
<b>RECEIPTS</b>					
ACCOUNTS RECEIVABLE - THIRD PARTIES	356,942			356,942	
ACCOUNTS RECEIVABLE - INTERCOMPANY				-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				-	
DIP BORROWINGS				-	
TRANSFERS IN - THIRD PARTIES				-	
TRANSFERS IN - NONFILING ENTITIES				-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS				-	
<b>TOTAL RECEIPTS</b>	356,942	-	-	356,942	-
<b>DISBURSEMENTS</b>					
PAYROLL	10,550			10,550	
PAYROLL TAXES				-	
TRADE PAYABLES - THIRD PARTIES	44,621			44,621	
TRADE PAYABLES - INTERCOMPANY				-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI				-	
DIP PRINCIPAL REPAYMENTS				-	
DIP INTEREST AND USAGE FEES				-	
TRANSFERS OUT - THIRD PARTIES				-	
TRANSFERS OUT - NONFILING ENTITIES				-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS				-	
MISCELLANEOUS				-	
<b>TOTAL DISBURSEMENTS</b>	55,172	-	-	55,172	-
<b>NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)</b>	301,770	-	-	301,770	-
<b>CASH - END OF MONTH</b>	5,213,410	1,500	(51,673)	5,163,237	-

CC Partners			
Schedule of Cash Receipts and Disbursements			
MOR-1			
September 2003			
	First Union Deposit Acct 2199500031802	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION			
PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

Kootenai Development Company  
Schedule of Cash Receipts and Disbursements  
MOR-1  
September 2003

	First National Bank of Montana 1049097	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 29,162	\$ 29,162	
<b>RECEIPTS</b>			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
<b>DISBURSEMENTS</b>			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ 29,162	\$ 29,162	\$ -

Grace Europe, Inc.

## Schedule of Cash Receipts and Disbursements

MOR-1

September 2003

	Barclays Bank PLC	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	
<b>RECEIPTS</b>			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
<b>DISBURSEMENTS</b>			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

Dewey & Almy, LLC			
Schedule of Cash Receipts and Disbursements			
MOR-1			
September 2003			
	Miscellaneous	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 1,000	\$ 1,000	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION			
PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ 1,000	\$ 1,000	\$ -



<b>Gloucester New Communities Company, Inc.</b> <b>Schedule of Cash Receipts and Disbursements</b> <b>MOR-1</b> <b>September 2003</b>			
	Cash On Hand	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 500	\$ 500	
<b>RECEIPTS</b>			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
<b>DISBURSEMENTS</b>			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ 500	\$ 500	\$ -

W. R. Grace & Co. - Conn  
Bank Reconciliations  
August 2003  
MOR-1

	JP Morgan Chase Disbursement 9101013572		Wachovia Lockbox 8619039102		First Union Deposit Acct 2199500021812		Merrill Lynch Investment 3323735		Merrill Lynch Investment 31833431756	
Balance per books	\$	105,556	\$	-	\$	-	\$	76,943,391	\$	-
Bank Balance	\$	105,556	\$	-	\$	12,698	\$	76,943,391	\$	-
(+) Deposits in transit		-		-		-		-		-
(-) Outstanding checks		-		-		-		-		-
Other		-		-		(12,698)		-		-
Adjusted bank balance	\$	105,556	\$	-	\$	-	\$	76,943,391	\$	-
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
Other										
Transfers between bank accounts										
Accounting error										
Interest not recorded on books										
Bank fees not recorded on books										
Payroll tax payments not recorded										
Unreconciled bank activity										
Unreconciled ledger activity										
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds										
Reporting reclass						(12,698)				
Unrecorded deposit										

	JP Morgan Chase Holding 323223141	JP Morgan Chase Concentration 16001257	Bank of America Lockbox 8188203114	First Union Concentration 2000000282172	First Union Payroll 2079900016741
Balance per books	\$ 733,326	\$ 254,385	\$ 955,639	\$ -	\$ -
Bank Balance	\$ 733,326	\$ 260,446	\$ 955,639	\$ 2,103,261	\$ -
(+) Deposits in transit	-	-	-	-	-
(-) Outstanding checks	-	-	-	-	(232,136)
Other	-	(6,061)	-	(2,103,261)	232,136
Adjusted bank balance	\$ 733,326	\$ 254,385	\$ 955,639	\$ -	\$ -
Deposits in Transit	Date Amount	Date Amount	Date Amount	Date Amount	Date Amount
Outstanding Checks	Ck. # Amount	Ck. # Amount	Ck. # Amount	Ck. # Amount	Ck. # Amount
					Detail available
Other					
Transfers between bank accounts					
Accounting error					
Interest not recorded on books					
Bank fees not recorded on books					
Payroll tax payments not recorded					9,525
Unreconciled bank activity					11,182
Unreconciled ledger activity		(6,061)			
Returned item adjustment					
Payroll/other activity in transit					
Petty cash funds					
Reporting reclass				(2,103,261)	211,429
Unrecorded deposit					

W. R. Grace & Co. - Conn  
Bank Reconciliations  
August 2003  
MOR-1

	First Union Petty Cash 2079900005600		Civic Bank Payroll 15502015736		First Union Libby Medical 2079900065006		First Union Accts Payable 2079920005761		First Union Payroll 2079900067554	
Balance per books	\$ -		\$ -		\$ -		\$ -		\$ -	
Bank Balance	\$ -		\$ -		\$ -		\$ -		\$ -	
(+) Deposits in transit										
(-) Outstanding checks	(461)						(5,779,477)		(106,932)	
Other	461						5,779,477		106,932	
Adjusted bank balance	\$ -		\$ -		\$ -		\$ -		\$ -	
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
	7456	(63)					Detail Available		Detail Available	
	12550	(44)								
	12551	(4)								
	18489	(60)								
	23329	(78)								
	25133	(57)								
	33408	(24)								
	33446	(50)								
	33462	(81)								
Other										
Transfers between bank accounts										
Accounting error										
Interest not recorded on books										
Bank fees not recorded on books		65								6,815
Payroll tax payments not recorded										
Unreconciled bank activity		4,273						28,759		1,150
Unreconciled ledger activity		(471)						(83,606)		(938)
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds										
Reporting reclass		(3,406)						5,834,324		100,105
Unrecorded deposit										

	Wachovia Lockbox 1866-082535	First Union Accts payable 2079900005280	First Union Accts Payable 2079900005231	Allfirst Payroll 16298631				
Balance per books	\$ -	\$ -	\$ -	\$ 130,221				
Bank Balance	\$ 1,114,127	\$ -	\$ -	\$ 284,559				
(+) Deposits in transit	-	-	-	-				
(-) Outstanding checks	-	(1,326,428)	-	(213,074)				
Other	(1,114,127)	1,326,428	-	58,736				
Adjusted bank balance	\$ -	\$ -	\$ -	\$ 130,221				
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
			Detail Available				Detail Available	
Other								
Transfers between bank accounts								
Accounting error								
Interest not recorded on books								6,337
Bank fees not recorded on books								
Payroll tax payments not recorded								436
Unreconciled bank activity								51,963
Unreconciled ledger activity								
Returned item adjustment								
Payroll/other activity in transit								
Petty cash funds								
Reporting reclass								
Unrecorded deposit		(1,114,127)		1,326,428				

	SunTrust Payroll 00000141309	PNC 4002641360	Hibernia Natl Disbursement 101391210	Bank of America Payroll 0000 0002 2137	Allfirst Payroll 16298657
Balance per books	\$ 45,273	\$ 24,671	\$ 10,000	\$ -	\$ 212,908
Bank Balance	\$ 45,273	\$ 24,626	\$ 10,000	\$ -	\$ 268,558
(+) Deposits in transit	-	-	-	-	-
(-) Outstanding checks	-	-	-	-	(63,348)
Other	-	45	-	-	7,698
Adjusted bank balance	\$ 45,273	\$ 24,671	\$ 10,000	\$ -	\$ 212,908
Deposits in Transit	Date Amount	Date Amount	Date Amount	Date Amount	Date Amount
Outstanding Checks	Ck. # Amount	Ck. # Amount	Ck. # Amount	Ck. # Amount	Ck. # Amount
					Detail Available
Other					
Transfers between bank accounts					
Accounting error					
Interest not recorded on books					
Bank fees not recorded on books					
Payroll tax payments not recorded			45		
Unreconciled bank activity					
Unreconciled ledger activity					(32)
Returned item adjustment					
Payroll/other activity in transit					7,730
Petty cash funds					
Reporting reclass					
Unrecorded deposit					

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	Banco de Credito Operating Acct 1931115122058	Banco de Credito Operating Acct 1931125963172	Banco de Credito Time Deposit	Bank of Boston Operating Acct 0154519	Bank of Boston Operating Acct 0154424
Balance per books	(Soles) 2,228	(US\$) \$ 88,525	(US\$) \$ -	(Soles) 4,161	(US\$) \$ 1,326,478
Bank Balance	\$ 2,228	\$ 88,525	\$ -	\$ 4,161	\$ 1,279,370
(+) Deposits in transit	-	-	-	-	47,108
(-) Outstanding checks	-	-	-	-	-
Other	-	-	-	-	-
Adjusted bank balance	\$ 2,228	\$ 88,525	\$ -	\$ 4,161	\$ 1,326,478
Deposits in Transit	Date Amount	Date Amount	Date Amount	Date Amount	Date Amount
					31-Aug-03 6,284 31-Aug-03 24,069 31-Aug-03 16,755
Outstanding Checks	Ck. # Amount	Ck. # Amount	Ck. # Amount	Ck. # Amount	Ck. # Amount
Other					
Transfers between bank accounts					
Accounting error					
Interest not recorded on books					
Bank fees not recorded on books					
Payroll tax payments not recorded					
Unreconciled bank activity					
Unreconciled ledger activity					
Returned item adjustment					
Payroll/other activity in transit					
Petty cash funds					
Reporting reclass					
Unrecorded deposit					(11,649)



Remedium Group, Inc. Bank Reconciliations August 2003 MOR-1				
	JP Morgan Chase Pass Through 323883842		JP Morgan Chase Disbursement 601831985	
Balance per books	\$ -		\$ (38,879)	
Bank Balance	\$ -		\$ -	
(+) Deposits in transit	-		-	
(-) Outstanding checks	-		(38,879)	
Other	-		-	
Adjusted bank balance	\$ -		\$ (38,879)	
Deposits in Transit	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount
			4936	(3,129)
			4939	(295)
			4940	(53)
			4944	(49)
			4945	(250)
			4947	(500)
			4958	(80)
			4969	(87)
			4973	(193)
			4974	(14,419)
			4975	(1,206)
			4976	(65)
			4977	(861)
			4978	(12,192)
			4979	(500)
			4980	(5,020)
Other				
Transfers between bank accounts				
Accounting error				
Interest not recorded on books				
Bank fees not recorded on books				
Payroll tax payments not recorded				
Unreconciled bank activity				
Unreconciled ledger activity				
Returned item adjustment				
Payroll activity in transit				
Petty cash funds				

W. R. Grace & Co. Bank Reconciliations August 2003 MOR-1		
	JP Morgan Chase Pass Through 323881963	
Balance per books	\$ -	
Bank Balance	\$ -	
(+) Deposits in transit	-	
(-) Outstanding checks	-	
Other	-	
Adjusted bank balance	\$ -	
Deposits in Transit	Date	Amt
Outstanding Checks	Ck. #	Amt
Other		
Transfers between bank accounts		
Accounting error		
Interest not recorded on books		
Bank fees not recorded on books		
Payroll tax payments not recorded		
Unreconciled bank activity		
Unreconciled ledger activity		
Returned item adjustment		
Payroll activity in transit		
Petty cash funds		

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Darex Puerto Rico, Inc. Bank Reconciliations August 2003 MOR-1		
	Citibank Operating Acct 300153011	
Balance per books	\$ 4,911,640	
Bank Balance	\$ 4,982,893	
(+) Deposits in transit	-	
(-) Outstanding checks	(83,239)	
Other	11,986	
Adjusted bank balance	\$ 4,911,640	
Deposits in Transit	Date	Amt
Outstanding Checks	Ck. #	Amt
	15461	(27)
	15904	(728)
	16439	(7,224)
	16490	(4,816)
	16515	(8,387)
	16518	(303)
	16527	(50)
	16531	(1,994)
	16533	(44)
	16534	(125)
	16535	(3,000)
	16536	(81)
	16538	(302)
	16540	(7,282)
	16541	(387)
	16542	(100)
	16543	(500)
	16544	(235)
	16545	(700)
	16546	(50)
	16548	(22)
	16549	(15,836)
	16550	(6,452)
	16551	(8,557)
	16552	(66)
	16553	(524)
	16554	(1,077)
	16555	(258)
	16558	(11,816)
	16557	(500)
	various	(2,184)
Other		
Transfers between bank accounts		
Accounting error		
Interest not recorded on books		
Bank fees not recorded on books		808
Payroll tax payments not recorded		102
Unreconciled bank activity		4,625
Unreconciled ledger activity		6,451
Returned item adjustment		
Payroll activity in transit		
Petty cash funds		

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**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**Month Ended September 30, 2003**

	W.R. Grace & Co. - Conn.	W.R. Grace & Co.	Remedium Group, Inc.	COHP, Inc.	CC Partners	Grace Washington, Inc.	Litigation Management, Inc.	Grace Europe, Inc.	L B Realty, Inc.
Net sales to third parties	\$ 70,314,746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	19,124,220	-	-	-	-	-	-	-	-
Net sales to filing entities	453,457	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	3,193,268	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(5,300,264)	4,128,659	725,359	19,173	845,233	-	2,602,915	-	-
Other income	31,392	-	-	-	-	-	-	-	-
	87,816,820	4,128,659	725,359	19,173	845,233	-	2,602,915	-	-
Cost of goods sold to third parties	48,098,689	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	15,499,857	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	355,345	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	20,434,664	-	6,015	-	-	35,204	-	4,134	-
Research and development expenses	2,475,231	-	-	-	-	-	-	-	-
Depreciation and amortization	4,901,059	-	2,318	-	-	-	-	-	-
Interest expense	1,337,025	-	-	-	-	-	-	-	-
	93,101,869	-	8,333	-	-	35,204	-	4,134	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	(5,285,049)	4,128,659	717,026	19,173	845,233	(35,204)	2,602,915	(4,134)	-
Chapter 11 reorganization expenses, net	(29,693)	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	(3,982,126)	(1,445,031)	(251,273)	(6,711)	(295,831)	327	(911,020)	1,447	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ (9,296,868)</b>	<b>\$ 2,683,628</b>	<b>\$ 465,753</b>	<b>\$ 12,462</b>	<b>\$ 549,402</b>	<b>\$ (34,877)</b>	<b>\$ 1,691,895</b>	<b>\$ (2,687)</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**Month Ended September 30, 2003**

	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewite Land Corporation	Alewite Boston, Ltd.	Five Alewite Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.	Kootenai Development Company
Net sales to third parties	\$ -	\$ 681,207	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	1,843,621	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(3,021,074)	-	-	-	-	-	-	-	-	-
Other income	69,903	-	-	-	-	-	-	-	-	-
	(1,107,550)	681,207	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	239,487	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	71,769	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	159,604	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	7,886	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	478,747	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	(1,107,550)	202,460	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	1,393,247	(70,861)	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ 285,697</b>	<b>\$ 131,599</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.



**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**Month Ended September 30, 2003**

	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern Oil, Resin & Fiberglass, Inc.	Guanica- Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.	Grace Tarpon Investors, Inc.	G C Limited Partners I, Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**Month Ended September 30, 2003**

	Monolith Enterprises, Incorporated	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.	W.R. Grace Land Corporation	G C Management, Inc.	Water Street Corporation
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**Month Ended September 30, 2003**

	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International Inc.	GPC Thomasville Corp.	Grace Ventures Corp.	Grace Energy Corporation
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Statement of Operations**  
**MOR - 2**  
**Month Ended September 30, 2003**

	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.	Coalgrace II, Inc.	Gracecoal II, Inc.	Gracecoal, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
<b>Net income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities Combining Statement of Operations MOR - 2 Month Ended September 30, 2003						
	Axial Basin Ranch Company	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	COMBINED FILING ENTITIES
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,995,953
Net sales to non-filing entities	-	-	-	-	-	19,124,220
Net sales to filing entities	-	-	-	(453,457)	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	5,036,889
Interest and royalties from filing entities, net	-	-	-	0	-	-
Other income	-	-	-	-	-	101,295
	-	-	-	(453,457)	-	95,258,357
Cost of goods sold to third parties	-	-	-	-	-	48,338,176
Cost of goods sold to non-filing entities	-	-	-	-	-	15,499,857
Cost of goods sold to filing entities	-	-	-	(427,114)	-	-
Selling, general and administrative expenses	-	-	-	-	-	20,639,622
Research and development expenses	-	-	-	-	-	2,475,231
Depreciation and amortization	-	-	-	-	-	4,911,263
Interest expense	-	-	-	-	-	1,337,025
	-	-	-	(427,114)	-	93,201,174
Income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	(26,344)	-	2,057,184
Chapter 11 reorganization expenses, net	-	-	-	-	-	(29,693)
(Provision for) benefit from income taxes	-	-	-	-	-	(5,567,832)
Minority interest in income of subsidiary	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	10,025,113	10,025,114
<b>Net income</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (26,344)</b>	<b>\$ 10,025,113</b>	<b>\$ 6,484,772</b>

**Note #2**

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

**W.R. Grace & Co. - Chapter 11 Filing Entities****Combining Balance Sheet****MOR - 3****September 30, 2003**

	W.R. Grace & Co. - Conn	W.R. Grace & Co.	Remediation Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 100,647,660	\$ -	\$ (553,896)	\$ -	\$ -	\$ -
Accounts and other receivables, net	115,194,938	-	23,965	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	345,205,754	(419,332,541)	(5,488,806)	12,894,112	(37,730,375)	(9,583,419)
Inventories	79,832,419	-	-	-	-	-
Deferred income taxes	41,041,073	-	550,229	-	-	-
Other current assets	19,274,255	-	-	-	-	-
<b>Total Current Assets</b>	701,196,100	(419,332,541)	(5,468,507)	12,894,112	(37,730,375)	(9,583,419)
Properties and equipment, net	384,203,107	-	464,609	-	-	-
Goodwill	14,499,090	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	90,522,885	-	-	-	-	-
Deferred income taxes	722,865,118	-	44,101,884	-	-	-
Asbestos-related insurance receivable	271,579,801	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(1,224,808,770)	837,661,527	129,226,674	4,764,006	205,827,653	-
Investment in filing and non-filing entities	782,120,792	241,512,111	-	-	-	-
Other assets	85,783,835	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,827,961,957</b>	<b>\$ 659,841,097</b>	<b>\$ 168,324,659</b>	<b>\$ 17,658,118</b>	<b>\$ 168,097,278</b>	<b>\$ (9,583,419)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ 0	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	42,333,824	-	10,747	-	-	-
Income taxes payable	0	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	57,260,234	-	55,906	-	-	719
<b>Total Current Liabilities</b>	99,594,059	-	66,653	-	-	719
Debt payable after one year	(438,134)	-	-	-	-	-
Deferred income taxes	147,227,082	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	217,409,378	0	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	463,792,385	0	66,653	-	-	719
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	547,500,797	-	-	-	-	-
Accounts payable	31,401,042	-	665,607	-	-	-
Income taxes payable	200,592,636	12,895,594	370,442	55,274	2,662,483	(36,195)
Asbestos-related liability	964,580,146	-	-	-	-	-
Other liabilities	442,426,964	188,091	127,577,466	-	32,094,183	-
<b>Total Liabilities Subject to Compromise</b>	2,186,501,585	13,083,685	128,613,515	55,274	34,756,666	(36,195)
<b>Total Liabilities</b>	2,650,293,970	13,083,685	128,680,167	55,274	34,756,666	(35,476)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	83,968,960	769,956	12,223	1,000	-	1,000
Paid in capital	142,809,878	428,448,120	9,724,449	34,052,467	56,011,577	-
(Accumulated deficit)/Retained earnings	(706,758,265)	353,441,955	29,907,820	(16,450,623)	77,329,036	(9,548,943)
Treasury stock, at cost	-	(135,902,719)	-	-	-	-
Accumulated other comprehensive loss	(342,352,585)	100	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	(822,332,012)	646,757,412	39,644,492	17,602,844	133,340,613	(9,547,943)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 1,827,961,957</b>	<b>\$ 659,841,097</b>	<b>\$ 168,324,659</b>	<b>\$ 17,658,118</b>	<b>\$ 168,097,278</b>	<b>\$ (9,583,419)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**September 30, 2003**

	Litigation Management, Inc.	Grace Europe, Inc.	L. B. Realty, Inc.	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewite Land Corporation
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 5,163,237	\$ -
Accounts and other receivables, net	-	84,127	-	-	2,930,531	-
Receivables from/(payables to) filing and non-filing entities, net	(386,938,310)	5,572,991	140,524,854	(84,749,767)	(1,854,348)	(5,436,959)
Inventories	-	(0)	-	-	296,292	-
Deferred income taxes	-	79,181	-	-	13,334	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	(386,938,310)	5,736,298	140,524,854	(84,749,767)	6,549,046	(5,436,959)
Properties and equipment, net	-	-	-	-	757,482	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	38,161	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	458,529,756	(3,273,390)	-	58,723,967	-	-
Investment in filing and non-filing entities	-	-	-	58,669,464	-	-
Other assets	-	54,000	-	-	229,534	1,417,970
<b>Total Assets</b>	<b>\$ 71,591,446</b>	<b>\$ 2,555,070</b>	<b>\$ 140,524,854</b>	<b>\$ 32,643,664</b>	<b>\$ 7,536,061</b>	<b>\$ (4,018,988)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	22,616	-	23,688	382,139	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	350,542	-	-	105,426	-
<b>Total Current Liabilities</b>	-	373,158	-	23,688	487,565	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	0	-	-	146,497	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	373,158	-	23,688	634,062	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	133,907	-
Income taxes payable	8,198,971	(867,384)	(150)	(2,982,201)	1,433,467	(175)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	226,230	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	8,198,971	(641,154)	(150)	(2,982,201)	1,567,374	(175)
<b>Total Liabilities</b>	8,198,971	(267,996)	(150)	(2,958,513)	2,201,437	(175)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	112	-	-	-	-	-
Common Stock	1,000	1,000	-	1,000	1,000	200
Paid in capital	(29,267,410)	-	25,358,993	50,937,489	-	274,606
(Accumulated deficit)/Retained earnings	92,658,773	(437,050)	115,166,011	(38,342,583)	5,333,625	(4,293,619)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	3,259,115	-	23,006,272	-	-
<b>Total Shareholders' Equity (Deficit)</b>	63,392,475	2,823,066	140,525,004	35,602,177	5,334,625	(4,018,813)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 71,591,446</b>	<b>\$ 2,555,070</b>	<b>\$ 140,524,854</b>	<b>\$ 32,643,664</b>	<b>\$ 7,536,061</b>	<b>\$ (4,018,988)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

September 30, 2003

	Alewiffe Boston Ltd.	Five Alewiffe Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Staffing Systems, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(2,143,580)	-	(57,817,172)	(110)	(330)	(7,656)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	(2,143,580)	-	(57,817,172)	(110)	(330)	(7,656)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	34,053,467	54,500,000	54,500,000	56,011,577
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ (2,143,580)</b>	<b>\$ -</b>	<b>\$ (23,763,706)</b>	<b>\$ 54,499,890</b>	<b>\$ 54,499,670</b>	<b>\$ 56,003,921</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(210)	-	-	(110)	(330)	(816)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(210)	-	-	(110)	(330)	(816)
<b>Total Liabilities</b>	(210)	-	-	(110)	(330)	(816)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	931,540	1	130	130
Paid in capital	-	-	9,408,460	54,499,999	54,499,870	54,499,870
(Accumulated deficit)/Retained earnings	(2,143,370)	-	(34,103,706)	-	-	1,504,737
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	(2,143,370)	-	(23,763,706)	54,500,000	54,500,000	56,004,737
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ (2,143,580)</b>	<b>\$ -</b>	<b>\$ (23,763,706)</b>	<b>\$ 54,499,890</b>	<b>\$ 54,499,670</b>	<b>\$ 56,003,921</b>

## Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.



**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**September 30, 2003**

	Kootenai Development Company	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern Oil, Resin & Fiberglass, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ 29,162	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(10,053)	(26,614,022)	57,347,191	(7,283,826)	-	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	6,320	-	-	-	-	-
<b>Total Current Assets</b>	25,429	(26,614,022)	57,347,191	(7,283,826)	-	-
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	1,630,940	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,656,369</b>	<b>\$ (26,614,022)</b>	<b>\$ 57,347,191</b>	<b>\$ (7,283,826)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	551,649	5,000	-	-	-	-
<b>Total Current Liabilities</b>	551,649	5,000	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	551,649	5,000	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(15)	(195)	10,346,794	(230)	-	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(15)	(195)	10,346,794	(230)	-	-
<b>Total Liabilities</b>	551,634	4,805	10,346,794	(230)	-	-
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	-	5,150	-	-
Paid in capital	1,104,954	859,233	3,671,658	5,144,850	-	-
(Accumulated deficit)/Retained earnings	(219)	(27,478,060)	43,427,950	(12,433,596)	-	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	(99,212)	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	1,104,735	(26,618,827)	47,000,396	(7,283,596)	-	-
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 1,656,369</b>	<b>\$ (26,614,022)</b>	<b>\$ 57,347,191</b>	<b>\$ (7,283,826)</b>	<b>\$ -</b>	<b>\$ -</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

September 30, 2003

	Guanica-Caribe Land Development Corporation	Dewey & Almy, LLC	A-1 Bit & Tool Co., Inc.	Grace Tarpon Investors, Inc.	G C Limited Partners I, Inc.	Monolith Enterprises, Incorporated
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ 1,000	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	5,824,284	(102,989)	(1,119,103)	10,284,124	330	(2,417,714)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	5,824,284	(101,989)	(1,119,103)	10,284,124	330	(2,417,714)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	94,022	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 5,824,284</b>	<b>\$ (7,966)</b>	<b>\$ (1,119,103)</b>	<b>\$ 10,284,124</b>	<b>\$ 330</b>	<b>\$ (2,417,714)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	3	-	-
<b>Total Current Liabilities</b>	-	-	-	3	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	3	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(110)	-	(110)	(560)	(560)	(450)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(110)	-	(110)	(560)	(560)	(450)
<b>Total Liabilities</b>	(110)	-	(110)	(557)	(560)	(450)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	2,000	29,000	1,000	1,000	26,000
Paid in capital	5,823,446	-	-	3,136,087	-	9,988,414
(Accumulated deficit)/Retained earnings	(52)	(9,966)	(1,147,993)	7,147,595	(110)	(12,431,678)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	5,824,394	(7,966)	(1,118,993)	10,284,682	890	(2,417,264)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 5,824,284</b>	<b>\$ (7,966)</b>	<b>\$ (1,119,103)</b>	<b>\$ 10,284,124</b>	<b>\$ 330</b>	<b>\$ (2,417,714)</b>

## Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

September 30, 2003

	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street, Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	(26,312,455)	(5,132,933)	(3,350,634)	(2,509,849)	840	(1,230,613)
Properties and equipment, net	-	-	-	-	-	1,184,871
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ (26,312,455)</b>	<b>\$ (5,132,933)</b>	<b>\$ (3,350,634)</b>	<b>\$ (2,509,849)</b>	<b>\$ 840</b>	<b>\$ (45,742)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	(818)	(110)	(210)	(110)	(30)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	-	(818)	(110)	(210)	(110)	(30)
<b>Total Liabilities</b>	-	(818)	(110)	(210)	(110)	(30)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	-	-	1,000	1,000	1,000	50
Paid in capital	-	-	-	-	-	50
(Accumulated deficit)/Retained earnings	(26,312,455)	(5,132,115)	(3,351,524)	(2,510,639)	(50)	(45,812)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	(26,312,455)	(5,132,115)	(3,350,524)	(2,509,639)	950	(45,712)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ (26,312,455)</b>	<b>\$ (5,132,933)</b>	<b>\$ (3,350,634)</b>	<b>\$ (2,509,849)</b>	<b>\$ 840</b>	<b>\$ (45,742)</b>

## Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W.R. Grace & Co. - Chapter 11 Filing Entities****Combining Balance Sheet****MOR - 3****September 30, 2003**

	W.R. Grace Land Corporation	G C Management, Inc.	Water Street Corporation	Del Taco Restaurants, Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	36,708,324	-	(73,061)	(12,559,518)	173,455	(19,453,460)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	36,708,324	-	(73,061)	(12,559,518)	173,455	(19,452,960)
Properties and equipment, net	-	-	-	-	438,445	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	6,284,806	-	-	-	-	-
Other assets	-	-	-	-	-	4,066
<b>Total Assets</b>	<b>\$ 42,993,130</b>	<b>\$ -</b>	<b>\$ (73,061)</b>	<b>\$ (12,559,518)</b>	<b>\$ 611,900</b>	<b>\$ (19,448,894)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	4,066
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	199	10,782
<b>Total Current Liabilities</b>	-	-	-	-	199	14,848
Debt payable after one year	-	-	-	-	438,134	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	438,333	14,848
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(812)	-	(110)	(265)	(750)	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(812)	-	(110)	(265)	(750)	-
<b>Total Liabilities</b>	(812)	-	(110)	(265)	437,583	14,848
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	5,000	-	1,000	85,539	1,000	5,000
Paid in capital	19,577,160	-	-	6,541,055	4,000	6,000,000
(Accumulated deficit)/Retained earnings	23,411,782	-	(73,951)	(19,185,847)	169,317	(25,468,742)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	42,993,942	-	(72,951)	(12,559,253)	174,317	(19,463,742)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 42,993,130</b>	<b>\$ -</b>	<b>\$ (73,061)</b>	<b>\$ (12,559,518)</b>	<b>\$ 611,900</b>	<b>\$ (19,448,894)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

September 30, 2003

	Creative Food N Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International, Inc.	GPC Thomasville Corp.	Grace Ventures Corp.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	23,479,109	6,345,361	810,265	(59,581,612)	(185)	(86,721)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	23,479,109	6,345,361	810,265	(59,581,612)	(185)	(86,721)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 23,479,109</b>	<b>\$ 6,345,361</b>	<b>\$ 810,265</b>	<b>\$ (59,581,612)</b>	<b>\$ (185)</b>	<b>\$ (86,721)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(1,039)	(300)	(335)	(380)	(185)	(110)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(1,039)	(300)	(335)	(380)	(185)	(110)
<b>Total Liabilities</b>	(1,039)	(300)	(335)	(380)	(185)	(110)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,090,000	1,000	1,000	303,000	-	-
Paid in capital	33,631,999	18,090,032	-	37,765,000	-	1,900,000
(Accumulated deficit)/Retained earnings	(11,241,851)	(11,745,371)	809,600	(97,649,232)	-	(1,986,611)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	23,480,148	6,345,661	810,600	(59,581,232)	-	(86,611)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 23,479,109</b>	<b>\$ 6,345,361</b>	<b>\$ 810,265</b>	<b>\$ (59,581,612)</b>	<b>\$ (185)</b>	<b>\$ (86,721)</b>

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

## W.R. Grace &amp; Co. - Chapter 11 Filing Entities

## Combining Balance Sheet

MOR - 3

September 30, 2003

	Grace Energy Corporation	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	352,712,699	4,389,612	(15,750,664)	5,296,889	875,359	(5,264)
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	352,712,699	4,389,612	(15,750,664)	5,296,889	875,359	(5,264)
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	(35,903,123)	(14,135,725)	-	-	-	-
Investment in filing and non-filing entities	187,272,210	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 504,081,786</b>	<b>\$ (9,746,113)</b>	<b>\$ (15,750,664)</b>	<b>\$ 5,296,889</b>	<b>\$ 875,359</b>	<b>\$ (5,264)</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	-	-	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(119)	(110)	-	(310)	(310)	(210)
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(119)	(110)	-	(310)	(310)	(210)
<b>Total Liabilities</b>	(119)	(110)	-	(310)	(310)	(210)
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	1,000	(114,960)	100	1,000	1,000
Paid in capital	451,425,156	(2,089,027)	34,215,000	-	-	-
(Accumulated deficit)/Retained earnings	52,655,749	(7,657,976)	(49,850,704)	5,297,099	874,669	(6,054)
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	504,081,905	(9,746,003)	(15,750,664)	5,297,199	875,669	(5,054)
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	<b>\$ 504,081,786</b>	<b>\$ (9,746,113)</b>	<b>\$ (15,750,664)</b>	<b>\$ 5,296,889</b>	<b>\$ 875,359</b>	<b>\$ (5,264)</b>

## Note #3

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.

**W.R. Grace & Co. - Chapter 11 Filing Entities**  
**Combining Balance Sheet**  
**MOR - 3**  
**September 30, 2003**

	Coalgrace II, Inc.	Gracoal II, Inc.	Gracoal, Inc.	Grace Drilling Company	Grace Petroleum Libya Incorporated	Axial Basin Ranch Company
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts and other receivables, net	-	-	-	-	-	-
Receivables from/(payables to) filing and non-filing entities, net	108,130	130,215,608	145,239,206	(81,115,113)	47,407,796	-
Inventories	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Other current assets	-	-	-	-	-	-
<b>Total Current Assets</b>	108,130	130,215,608	145,239,206	(81,115,113)	47,407,796	-
Properties and equipment, net	-	-	-	-	-	-
Goodwill	-	-	-	-	-	-
Cash value of company owned life insurance, net of policy loans	-	-	-	-	-	-
Deferred income taxes	-	-	-	-	-	-
Asbestos-related insurance receivable	-	-	-	-	-	-
Loans receivable from/(payable to) filing and non-filing entities, net	-	-	-	-	-	-
Investment in filing and non-filing entities	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
<b>Total Assets</b>	\$ 108,130	\$ 130,215,608	\$ 145,239,206	\$ (81,115,113)	\$ 47,407,796	\$ -
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIT)</b>						
<b>Liabilities Not Subject to Compromise</b>						
<b>Current Liabilities</b>						
Debt payable within one year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-
Asbestos-related liability expected to be disbursed within one year	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-
<b>Total Current Liabilities</b>	-	-	-	-	-	-
Debt payable after one year	-	-	-	-	-	-
Deferred income taxes	-	26,227,846	26,227,846	-	-	-
Asbestos-related liability expected to be disbursed after one year	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Not Subject to Compromise</b>	-	26,227,846	26,227,846	-	-	-
<b>Liabilities Subject to Compromise</b>						
Debt, pre-petition plus accrued interest	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Income taxes payable	(310)	2,799,690	2,799,790	(480)	(110)	-
Asbestos-related liability	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
<b>Total Liabilities Subject to Compromise</b>	(310)	2,799,690	2,799,790	(480)	(110)	-
<b>Total Liabilities</b>	(310)	29,027,536	29,027,636	(480)	(110)	-
<b>Shareholders' Equity (Deficit)</b>						
Preferred Stock	-	-	-	-	-	-
Common Stock	1,000	1,000	100	124,473	1,000	-
Paid in capital	-	30,293,750	13,880,108	51,173,713	7,308,934	-
(Accumulated deficit)/Retained earnings	107,440	70,893,322	102,331,362	(132,412,819)	40,097,972	-
Treasury stock, at cost	-	-	-	-	-	-
Accumulated other comprehensive loss	-	-	-	-	-	-
<b>Total Shareholders' Equity (Deficit)</b>	108,440	101,188,072	116,211,570	(81,114,633)	47,407,906	-
<b>Total Liabilities and Shareholders' Equity (Deficit)</b>	\$ 108,130	\$ 130,215,608	\$ 145,239,206	\$ (81,115,113)	\$ 47,407,796	\$ -

**Note #3**

Certain contingent liabilities of divested businesses are included on the balance sheet of W. R. Grace & Co. - Conn as it is not practical to determine which Debtor bears the ultimate obligation.